

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1929 - HB 1462

March 30, 2009

SUMMARY OF BILL: Authorizes a free special license plate for firefighters who meet certain requirements.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$182,800/Recurring
Increase State Expenditures - \$32,000/One-Time

Assumptions:

- The bill would add a new special purpose license plate to the list of available license plates.
- According to the Department of Commerce and Insurance, there are approximately 22,000 firefighters in the state and approximately 11,000 of these are certified.
- An estimated 77.5 percent of fire service in Tennessee is on a volunteer basis.
- Approximately 17,000 ($22,000 \times 77.5\%$) of the total number of firefighters are volunteers.
- Using the same ratio of certified firefighters (11,000) to the total number of firefighters in the state (22,000), an estimated 50 percent (8,500) of volunteer firefighters would meet the requirements and would choose this free plate.
- The decrease in state revenue would result from the loss of the \$21.50 base rate which is now being collected for these license plates. Such decrease in state revenue is estimated to be \$182,750 ($8,500 \times \21.50).
- According to the Department of Revenue, there would be an estimated one-time cost of \$31,960 to manufacture and distribute the plates ($8,500 \times \$3.76$).

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rct